

Message Text

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UNCLAS STATE 166709

ATTN PARIS FOR JACK MARESCA

E.O. 11652: N/A

TAGS: SOPN, XC, US

SUBJECT: JUNE 30 EA PRESS SUMMARY

1. KOREA

NKOREA THURS INSISTED US W/DRAW TROOPS/WEAPONS "IMMEDIATELY
AND TOTALLY" FROM SOUTH. "WAR MIGHT BREAK OUT AT ANY
MOMENT," ACCORDING NK CENTRAL NEWS AGENCY REPORT CITED BY
REUTER (HK 6/29). NKCNA REPORT QUOTES EDITORIAL FROM
NK'S OFFICIAL RODONG SINUM THAT US DELAY OF TROOP W/DRAWAL
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SHOWS PLEDGE MERELY "FOR PROPAGANDA PURPOSES"/SAYS US
HAS NO INTENTION CARRYING IT INTO PRACTICE.

HOUSE ETHICS CMTE READY W/FINDINGS ON KOREAGATE PROBE/WILL
PROBABLY FILE COMPLAINTS AGAINST INCUMBENTS MCFALL (CA)/
PATTEN (NJ)/ROYAL (NJ). ALSO WILL PROBABLY RECOMMEND DOJ
NVESTIGATION OF EX-REPS GALIFIANAKIS (NC)/RARICK (LA)
FOR ALLEGEDLY TAKING MONEY FROM TONGSUN PARK (WSJ).

WP'S RICHARDS REPORTS KOREA PROBES LOOKING INTO CIR-

CUMSTANCES SURROUNDING GUILTY PLEA ON SMUGGLING CHARGES OF
MAJOR WITNESS KIM HYUNG WOOK (FORMER KCIA CHIEF) IN MARCH.
GIVEN ONE YR SUSPENDED SENTENCE FOR SMUGGLING 5,000 DOLS

CASH INTO US IN JAN. SOME CMTE MEMBERS BELIEVE CONVICTION
COULD UNDERMINE KIM'S CREDIBILITY AS WITNESS. SEOUL GOVT
OFFICIALS HAVE DENOUNCED KIM AS BEING HEAVILY INVOLVED IN
OFFICIAL CORRUPTION WHILE IN KCIA/OTHER OFFICIAL POSITIONS
IN SK, ACCORDING RICHARDS.

2. CHINA

HIRC EA SUBCMTE CHRNMN WOLFF HEADS SEVEN-MEMBER CODEL WHICH
LEFT 6/29 FOR TEN-DAY TRIP TO PRC, DURING WHICH THEY PLAN
FIND CHINESE VIEWS ON NORMALIZATION, BROAD RANGE OF OTHER
ISSUES (REUTER WASHINGTON 6/29; WP).

PRC HAS PLACED 6-MIL-DOL ORDER FOR TWO COMPUTER SYSTEMS
FROM SPERRY RAND. BELIEVED TO BE LARGEST CHINESE COMPUTER
ORDER W/US MANUFACTURER. ONE TO BE USED FOR EDUCATION,
RESEARCH AT PEKING U OF SCI/TECH; OTHER FOR DEVELOPMENT,
IMPLEMENTATION OF CENTRAL INFO RETRIEVAL SYSTEM BY PEKING
DOCUMENT SERVICE (REUTER NY 6/29; PHINQ).

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3. CHINA/JAPAN

SONODA SAID THURS THAT JAPAN/CHINA HAVE AGREED RESUME
NEGOTS ON PEACE/FRIENDSHIP TREATY IN PEKING 7/21. FONMIN
SAID AGREEMENT TO RESUME TALKS WAS REACHED THRU DIPLO
CHANNELS; ADDED THAT JAPAN'S AMB IN PEKING, SHOJI SATO,
WOULD REPRESENT TOKYO AT INITIAL WORKING-LEVEL SESSIONS
AND VICE-FONMIN HAN NIEN-LUNG WOULD LEAD CHINESE DEL
(REUTER TOKYO).

4. JAPAN

REUTER'S SATO (TOKYO)/WP NOTE PRELIMINARY REPORT OF FIN
MIN THAT JAPAN'S TRADE SURPLUS EXPECTED INCREASE SUB-
STANTIALLY THIS MONTH. FUKUDA SAID JAPAN'S EFFORTS TO CUT
SURPLUS WOULD PROBABLY SHOW MARKED RESULTS IN SECOND HALF
OF FY, BETWN OCT/MARCH. BUT ADDED IN TV ADDRESS THAT
MEASURES WOULD NOT SOLVE PROBLEM IF INFLATION INCREASES IN
US.

AP (TOKYO) ADDS THAT DESPITE JAPANESE MEASURES/RISING VALUE
OF YEN, TRADE SURPLUS CONTINUES GROW IN CONTRADICTION OF
ECON THEORIES. QUOTES ECONOMIST HIROYA ICHIKAWA THAT
GOVT OFFICIALS OVERLOOKED EFFECT OF CONTINUED US INFLATION/
JAPANESE BUSINESS EFFICIENCY WHICH HAS KEPT PRICE INCREASES
MINIMAL. NOTES WINDFALL BENEFITS FROM CHEAPER RAW MATERIALS.
AP NOTES THAT THESE FACTORS HAVE LEFT LEADING JAPANESE

EXPORTERS COMPETITIVE IN WORLD MRKTS.

HOWEVER, UPI (TOKYO) ALSO NOTES THAT JAPAN'S COLOR TV EXPORTS HAVE DROPPED 28.7 PCT OVERALL AND 41.5 PCT TO US FROM LAST YR (JOC).

US NAVY SAYS CONTRACT TO JAPANESE SASEBO HEAVY INDUSTRIES TO REFIT 10 WARSHIPS DOES NOT MEAN MAJOR LOSS OF WORK FOR UNCLASSIFIED

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US SHIPYARDS (JOC).

BOEING EXPECTS SIGN CONTRACT THIS SUMMER FOR PARTICIPATION OF THREE JAPANESE COMPAINES IN BUILDING OF BOEING'S NEW 767/777 COMMERCIAL AIRLINERS. SAYS JAPANESE WILL PERFORM ABOUT 15 PCT OF MANUFACTURING CONNECTED W/PRODUCING PLANES; ANOTHER 15 PCT TO BE UNDERTAKEN BY ITALY'S AERITALIA (WSJ).

YOMIURI SHIMBUN SAYS US PLANS ADD NUKE SUBS TO SEVENTH FLEET TO OFFSET SOVIET MIL BUILDUP IN PACIFIC (CSM).

5. CAMBODIA/VIETNAM

SRV, DENYING ITS FORCES HAD LAUNCHED LARGE-SCALE INVASION OF CAMBODIA, SAID THURS CAMBODIAN TROOPS HAD MADE NEW FORAYS ACROSS BORDER. VO,CE OF VN SAID CAMBODIANS HAD PENETRATED FAR AS 6 MI INTO S VN/VIETS INFLICTED HEAVY LOSSES/TOOK MANY PRISONERS/CAPTURED LARGE NUMBER WEAPONS. AP (BANGKOK, SUN/NYDN) QUOTES WESTERN/OTHER SOURCES WHO MAINTAIN VIET TROOPS ENGAGED IN STEPPED-UP MIL ACTIVITY INSIDE CAMBODIA AS WELL. HANOI RADIO DESCRIBED AS "FABRICATED AND COMPLETELY FALSE" REPORTS BY VOA/W NEWS AGENCIES THAT VIET TROOPS HAD PENETRATED 30-35 MI INSIDE CAMBODIA.

IN 1ST OFFICIAL SRV COMMENT ON REPORTED ESCALATED FIGHTING, BROADCAST SAID VIET TROOPS CONTINUING ENCIRCLE CAMBODIA FORCES/WERE DETERMINED PUNISH "AGGRESSORS"/PROTECT SOVEREIGNTY/LIVES/PROPERTY OF VIETS. CAMBODIA REMAINED SILENT ON FIGHTING, WHILE DIPLOS IN BANGKOK SAID NO EVIDENCE OF ANY MAJOR INVASION (REUTER SINGAPORE).

WP'S MATHEWS (HK) CITES W/THAI SOURCES THAT SOME FORWARD UNCLASSIFIED

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ELEMENTS OF LARGE VIET FORCE HAD PENETRATED DEEPER IN CAMBODIA THAN EVER BEFORE IN WAR, BUT BULK OF INVADING TROOPS ONLY FEW MILES INSIDE BORDER. OPINES HANOI'S AIM SEEMS BE SIMPLY CLEAR OUT CAMBODIAN FORCES THAT HAVE BEEN HARASSING VIET VILLAGERS/TROOPS ALONG BORDER. QUOTES

DIPLOS IN BANGKOK WHO CONSIDER IT SIGNIFICANT THAT THERE HAS BEEN NO SPECIFIC PROTEST FROM CAMBODIA ABOUT VIET ACTION. THEY SAID THIS SUGGESTED VIETS HAD NOT ATTEMPTED ESTABLISH PERMANENT ADMIN BODIES ON CAMBODIAN SOIL.

6. VIETNAM

SRV ADMITTED AS 10TH FULL MEMBER COMECON AT END OF 3-DAY MTG OF COUNCIL COUNTRIES IN BUCHAREST THURS. ACCORDING AP (BUCHAREST, SUN/PHINQ/NYDN), MOVE INDICATES FURTHER VIET SHIFT TOWARD MOSCOW THAT IS EXPECTED WIDEN HANOI/PEKING SPLIT. NYT QUOTES DIPLOS WHO BELIEVE LAOS WILL SOON BECOME MEMBER ALSO, SINCE ITS ECON CLOSELY TIED TO THAT OF VN (NYT SPEC BUCHAREST/BELGRADE).

IN RELATED DEVELOPMENT IN MANILA, ADB, OVER US OBJECTIONS, RESTORED FINANCING TO POWER PROJECT IN VN THAT WAS SUSPENDED SHORTLY BEFORE SVN FELL (AP BUCHAREST, SUN).

JOC SPEC (NEW DELHI) REPORTS SRV SEEKING TECH/FINANCIAL AID FROM INDIA TO SUBSTITUTE FOR CHINESE AID COVERING 21 AGRIC/INDUST PROJECTS.

VIETNAM/CHINA

ACCORDING REUTER'S MACKENZIE (LU LIANG 6/29), SOVIET EXPERTS HAVE INSTALLED 3 RADAR STATIONS IN VN ALONG CHINA BORDER/VIET TROOP REINFORCEMENTS HAVE BEEN SENT TO AREA. QUOTING CHINESE REFUGEES FROM VN, SAYS THERE EARLIER WAS TALK OF SOVIET INSTALLATIONS W/LONG-RANGE MISSILES AIMED AT PRC LOCATED AT CAM RANH BAY. SAYS REFUGEE REPORTS UNCLASSIFIED

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NOT CONFIRMED.

CHINESE REFUGEES ARRIVING FROM VN ALSO ACCUSED SRV AUTHORITIES OF HARASSING THEM/TAKING THEIR PROPERTY. SAID VIETS HAVE REMOVED ALL INHABITANTS FROM AREAS ALONG FRONTIER W/ PRC, BUT NOT CLEAR FOR WHAT REASON (REUTER MACKENZIE HOKOU).

IN SEPARATE PIECE, MACKENZIE QUOTES CHINESE REFUGEES WHO HAVE CROSSED INTO CHINA THAT BRIBERY/CORRUPTION IN S VN AS RIFE AS UNDER OLD SRV GOVT. SAID THEY HAD BRIBED OFFICIALS W/MONEY/GOLD FOR FALSE TRAVEL DOCS, THAT PROPER EXIST VISAS COST UP TO 20 OZ GOLD DEPENDING ON SENIORITY OF OFFICIAL. ALSO SAID THERE WAS RELUCTANCE AMONG CHINESE IN S VN TO APPLY FOR PERMITS TO GO TO CHINA. "IF YOU FILL IN THE DOCUMENTS IN THE MORNING," ONE SAID, "YOU WILL BE ARRESTED THAT NIGHT." SAID IF OVERSEAS CHINESE HEARD TALKING OF RETURNING TO CHINA, HE IS ARRESTED--USUALLY BETWN MIDNIGHT/6 AM, SO THEY WERE AFRAID TO PUT NAMES

FORWARD TO LEAVE BY EVAC SHIP.

7. PHILIPPINES

USG THURS FORMALLY APOLOGIZED TO GOP FOR DETAINING
FILIPINO DIPLO OFFICER AFTER POLICE BROKE INTO PHIL MISSION
IN NYC 6/11. GOP 6/29 RELEASED LTR FROM SECY VANCE TO
ROMULO EXPRESSING HIS PERSONAL REGRETS AT "VERY UNFORTUANTE
INCIDENT"/GIVING APOLOGY FOR "INADVERTENT AND TEMPORARY
DETENTION" OF DIPLO (REUTER MANILA 6/29; WP).

COMMENT AND ANALYSIS

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NYT EDIT SAYS "CHINA CARD" TEMPTATION TO PRESIDENTS WHEN
US-RUSSIAN RELS TURN SOUR--TEMPTATION THEY ARE WISE TO
RESIST. CONSIDERS PRC, DESPITE VAST POPULATION, GEOGRAPHI-
CAL EXPANSE/REGIONAL POWER, NOT YET ACTOR IN WORLD
POLITICS LIKE "GLOBAL SUPERPOWER" SOVIET UNION. ARGUES
THAT NO US-CHINA INTERESTS COMPARABLE IN IMPORTANCE TO
SALT/OTHER ISSUES CONFRONTING US-USSR. SAYS US RIGHT
IN URGING THAT "STRONG"/"SECURE CHINA" IN OUR INTEREST.
STATES COOPERATION AMONG US/PRC/JAPAN--AND USSR--ESSENTIAL
FOR NPACIFIC PEACE/STABILITY.

NYT THINKS UPCOMING PRC VISIT BY US SCI/TECH LEADERS
USEFUL EXPRESSION OF ADMIN'S DESIRE SHOW COOPERATION.
BELIEVES TECHNOLOGICAL DEVICES USEFUL TO PEKING INCLUDING
SOME W/POSSIBLE MIL APPLICATIONS--SUCH AS RECENT DAEDALUS
CASE--SHOULD BE SOLD. SAYS THAT AS OIL IMPORTER, US SHOULD
ENCOURAGE PRODUCTION, BOTH IN PRC AND USSR.

EDIT FEELS SALES BY EUR OF DEFENSIVE WEAPONS TO CHINA OK,
BUT WARNS STRONGLY AGAINST SALES OF OFFENSIVE ONES. SAYS
SUCH AID WOULD NOT SIGNIFICANTLY ALTER WORLD BALANCE, BUT
WOULD SURELY INFLAME MOSCOW'S PARANOIA.

WARNS THAT AMERICANS SHOULD BE WARY OF ASSUMING TOO MANY
COMMON INTERET BETWN US-CHINA. SAYS ONLY REAL COMMON
INTEREST IS CONTAINMENT OF SOVIET POWER. CONCLUDES US
SHOULD CONTINUE TRY DRAW PRC INTO INTL SYSTEM TO HELP
RESOLVE VEXING WORLD PROBLEMS, BUT NOT TO BAIT SOVIETS.

CSM'S COWEN SAYS MAJOR NEW POLICY OF TRYING LAY FOUNDATION
TO CATCH UP WITH ADVANCED WORLD TECH IS BEHIND CHINA'S
INVITATION TO US HIGH-LEVEL DEL TO DISCUSS OFFICIAL EXCHANGE
PROGRAM IN SCI/TECH. SAYS THAT VISIT OF US SCI ADVISOR
FRANK PRESS W/14-MEMBER DEL RESULT OF FAVORABLE CHINESE
REACTION TO US FEELER DURING BRZEZINSKI VISIT. SAYS US
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WILLINGNESS PART OF CARTER ADMIN'S OVERALL DESIRE IMPROVE
RELATIONS W/CHINA, ASSESS STRENGTH OF CHINESE SCIENCE.
BUT BELIEVES CHINESE WILLINGNESS HAS MORE TO DO W/NEW
DETERMINATION IMPROVE TECH THAN W/US-CHINA DETENTE.

9. CHINA/VIETNAM

WSTAR'S DEVOSS (HK) FINDS NOTHING SUBTLE ABOUT TENG HSIAO-
PING'S RUSSOPHOBIA, ESPECIALLY WHEN AROUSED BY RUSSIAN
COURTSHIP OF CHINESE NEIGHBOR LIKE VIETNAM. THINKS TENG'S
ATTITUDE SURPRISING IN LIGHT OF HIS CLOSE ASSOCIATION W/PLA
(ONLY REPOSITORY OF PRO-SOVIET SENTIMENT IN CHINA)/PREVIOUS
DIFFICULTIES OVER LUKEWARM SUPPORT OF MAO'S ANTI-SOVIET
CAMPAIGNS. EXPLAINS TOUGH LINE BY IDEA THAT TENG STILL
HAS ENEMIES/THAT FOLLOWING MAO'S ANTI-SOVIET LINE WOULD
PUT HIM ABOVE SUSPICION, PLACE HIM IN ROLE OF DEFENDER OF
OVERSEAS CHINESE. SAYS TENG'S ACTIONS AGAINST VIETNAM
MAINLY SYMBOLIC, NOT AFFECTING VN'S STABILITY BUT UPSETTING
HANOI'S DEVELOPMENT TIMETABLE (6/28).

10. JAPAN/AUSTRALIA

DISCUSSING THIS WK'S AUSTRALIA-JAPAN MINISTERIAL COUNCIL
MTG, JOC'S STOVE SAYS THERE WAS MUCH TALKING, SOME INTENSE
LOBBYING/LOTS OF CONFERENCES, BUT VERY LITTLE SOLID AGREE-
MENT. SAYS CRUCIAL PROBLEMS--JAPAN WANTS AUSTRALIA EASE
IMPORT RESTRICTIONS/AUSTRALIA WOULD LIKE JAPAN INCREASE
IMPORTS OF AGRIC GOODS, PARTICULARLY BEEF, DAIRY PRODUCTS--
ALL REMAIN UNRESOLVED. VANCE

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